



TO: Members, Joint Committee on Finance

FROM: Board of Directors, Wisconsin Mortgage Bankers Association

DATE: March 5, 1998

RE: SUPPORT FOR TAX EXEMPTION ON COMPUTER EQUIPMENT

The Wisconsin Mortgage Bankers Association, on behalf of its over 600 members, strongly supports the personal property tax exemption on computer and related equipment.

This is a significant economic development initiative, which, if enacted, will:

- promote overall business retention and expansion in Wisconsin;
- provide fair competition between Wisconsin and its neighboring states, all of whom have eliminated the personal property tax; and,
- stimulate high-tech job creation in our state.

This property tax exemption could well be as important economically to Wisconsin as the machinery and equipment (M&E) exemption was to manufacturing in the 70's and 80's.

We respectfully urge your support for this extremely important initiative for the continued and future growth of Wisconsin's economy.



## **Wisconsin Economic Development Association Inc.**

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**TO:** Members, Joint Committee on Finance

**FROM:** Board of Directors, Wisconsin Economic Development Association

**DATE:** March 5, 1998

**RE:** SUPPORT FOR TAX EXEMPTION ON COMPUTER EQUIPMENT

The Wisconsin Economic Development Association (WEDA) strongly and enthusiastically supports the Budget Adjustment Bill proposal to exempt computer and related equipment from the personal property tax.

WEDA is a statewide organization consisting of over 400 economic development professionals who are committed to advocating economic development initiatives aimed at keeping our state competitive and our economy strong.

The proposed computer tax exemption would be a major economic development tool for Wisconsin. Its goals are simple: business and job retention, expansion and attraction. Our economy has been strong. We cannot, however, become complacent. We must keep Wisconsin competitive.

WEDA believes that the elimination of the property tax on computers and related equipment is as important economically for the 90's and the 21st Century as the property tax exemption on machinery and equipment was to manufacturing in the 70's and 80's.

Wisconsin, most often to its credit, does not have as many available incentives as are available in other states. It is critical that we use and adopt legitimate economic development tools for our continued and future growth. The computer tax exemption before you benefits existing and potential Wisconsin companies alike.

This is an excellent proposal and we respectfully urge your support.

**GE MEDICAL SYSTEMS STATEMENT ON THE PROPOSED  
PERSONAL PROPERTY TAX EXEMPTION FOR COMPUTERS**

**March, 1998**

GE Medical Systems supports the elimination of the personal property tax on computer hardware and software as proposed in AB 768 and SB 436.

With its global headquarters in Waukesha, GE Medical Systems is a leading provider of diagnostic imaging equipment and services for the medical industry. GE Medical Systems is the cornerstone of the high technology sector in Waukesha County and one of the leading high-tech employers in the state. Currently, the company employs 3,800 people in the greater Milwaukee area and 15,000 worldwide.

GE Medical Systems develops and produces medical diagnostic equipment that has literally changed the way that medical professionals diagnose and treat patients throughout the world. Its major imaging technologies include x-ray, magnetic resonance (MR), ultrasound, nuclear medicine, computed tomography (CT) and positron emission tomography (PET). Information technology plays a critical role in the development, production, servicing and support of these life-saving devices. For example:

- Equipment problems now can be diagnosed and often fixed remotely through GE's remote service monitoring center in Pewaukee, called InSite. More than 11,000 GE imaging systems worldwide are linked via computer to the center, minimizing equipment downtime and boosting productivity.
- In cooperation with the U.S. Department of Defense and National Cancer Institute, GE has developed a state-of -the-art mobile breast cancer screening system that can link patients in even the most remote areas with high-quality, real-time healthcare services. The "Mobile Breast Care Center" incorporates a van equipped with breakthrough GE digital technology and leading-edge GE telemammography equipment, to allow images to be transmitted instantly to experienced mammographers anywhere in the world for real-time manipulation and interpretation of the results – and, if necessary, for immediate biopsy or acquisition of additional views. On-vehicle Internet service is also available to provide the latest information on breast care and cancer diagnostics and treatment.

- GE is aggressively expanding its software capabilities and invested more than \$1 million to create a new Software Center in Waukesha last year. Employees at the Software Center specialize in advanced software engineering and Internet technologies in the areas of object-oriented analysis/design; C++ programming; advanced visualization; Java and Corba technologies; and hyper-text mark-up language. GE Medical Systems currently employs approximately 400 software and systems engineers and anticipates that future job growth will be predominantly in these fields.

These examples highlight the critical role that information technology plays in GE's competitive success today and in the future. GE Medical Systems, like many businesses operating in Wisconsin, must increasingly rely on computer technology rather than more traditional types of production equipment. Current Wisconsin law recognizes the importance of the manufacturing sector to the state's overall economy by exempting manufacturing equipment from the property tax. We believe the proposed personal property tax exemption for computers is simply a logical extension of the current exemption for manufacturing in that it recognizes the importance of these "new tools of industry" to successful businesses in Wisconsin.

The proposed exemption of software and computer equipment will enhance the state's economic competitiveness. Specifically, this proposal will allow Wisconsin to join the growing number of states which already exempt such property. In this regard, it should be noted that two of Wisconsin's neighboring states – Minnesota and Illinois – do not impose personal property taxes of any kind.

For all of the reasons discussed above, we respectfully urge your support of the proposed exemption.

For more information, contact:

Suzanne Kelley, Regional Manager  
GE Government Relations  
(414)548-5035

# FORTUNE



## In Search of Elusive Tech Workers

BY THOMAS A. STEWART

*Finding a full supply of high-tech talent may seem near impossible these days, but GE Medical has a way. The key: old-fashioned management techniques.*

**G**o and catch a falling star, get with child a mandrake root, tell me where all past years are or who cleft the devil's foot—and when you've thus proved you can do the impossible, try this: Find the high-tech workers your company needs.

One out of ten information technology jobs in the U.S. is going begging, according to the Information Technology Association of America. What talent isn't feeding the insatiable Internet is fixing the year-2000 problem, which has probably created more jobs than the New Deal. News accounts describe desperate companies scouring the world for techies. Six out of ten companies complain to the American Management Association that it takes longer to fill professional and technical positions than it did three years ago; only 9% say they do it faster. Unemployment among professional specialty workers is 1.7%, says the Labor Department—a figure so low most of the “unemployed” are probably just stuck in Palo Alto traffic en route to higher-paying jobs.

Meanwhile, in Milwaukee, General Electric Medical Systems hires about 500 technical workers a year. They invent and make CT scanners, magnetic resonance imagers, etc.—stuff that requires some of the most demanding software coding and electrical engineering anywhere. An innovation powerhouse—80% of GE Med-

ical's equipment sales comes from products no more than three years old—the company competes for talent with Intel, Cisco Systems, Microsoft, Hewlett-Packard, and other no-slouches. It is remarkable, then, that last year GE Medical cut its cost of hiring by 17%, reduced time needed to fill a position by between 20% and 30%, and cut in half the percentage of new hires who don't work out.

What have they got that you ain't got? It's not location. Milwaukeeans have User's sausage, true; but they endure wind, ice, and snow all winter and Brewers baseball all summer. It's not big bucks. Says Stephen Patiscot, head of staffing and leadership development for GE Medical: “This isn't a start-up; the chance to become a multimillionaire with a one-hit wonder isn't there.” GE is a great company, and these are great jobs. Many people would rather invent life-saving devices than be cannon fodder in the browser wars. But for techies there are a lot of great companies and great jobs.

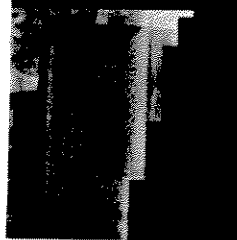
GE Medical's secret is, in fact, no secret: It's applying good old-fashioned managing in new-fangled ways and with a whole lot of rigor. Says Patiscot: “We had to benchmark

off procurement and supplier management initiatives in other areas of the business. We know everything about acquiring wires and screws and boards and computers. But our most important asset is the human asset, and we don't measure that process. It's a shame on us as HR people.”

The process starts with the specs. Years ago GE product-development people made it a companywide practice to draw up a “multigenerational product plan” for every new gizmo, a road map describing what its first, second, and third iterations will probably be. Implicit in that plan is a shopping list of skills. Patiscot explains: “We now make a multigenerational staffing plan to go with the product plan. If you have a CT that will do one-second scans in 1998, ¾-second scans in 1999, and subsecond scans in 2000, that tells us we need to hire or train ‘absolute algorithm’ experts to write code for real-time image processing.”

A staffing plan saves time and money, and not just for GE. Says Ron Roth, a partner in Smith Roth & Squires, a Manhattan-based recruiter that works closely with GE Medical: “We get a real good spec—not just for technical skills but also

PEOPLE WOULD  
RATHER INVENT  
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BE FODDER IN THE  
BROWSER WARS.



for interpersonal skills." Result: Roth used to send four or five résumés to Milwaukee, but now sends two or three per opening—and places more people than ever.

GE Medical has rethought its dealings with each important source of talent: recruiters, colleges, and employee referrals. Stealing ideas from supply-chain management, GE called a meeting last February, telling a score of recruiters that it wanted to work with only the ten best of them. They got measurements inspired by manufacturing techniques: "First-pass yield" is the percentage of résumés that results in interviews; "second-pass yield," the percentage of interviews that results in offers. They were given support—an annual "supplier week" in Milwaukee to get to know the company better, for example, and faxed explanations of why a candidate is rejected to help the recruiter learn what's wanted. The most productive get bonuses—"an incentive to outperform," Patscot says.

GE MEDICAL  
CHANGED ITS  
THINKING ABOUT  
RECRUITERS, COL-  
LEGES, EMPLOYEE  
REFERRALS.

Campus recruiting was beefed up with a similar combination of investment, publicity, and tough-mindedness. It turns out that former summer interns are twice as likely to accept a job offer as other candidates. When Patscot calculated the return on that, he tripled the size of the program. To make sure that interns don't spend their summer photocopying files, they are given group and team projects. They are asked to grade the program and, in particular, their bosses. A boss who gets a B—probably won't get an intern the next summer. One result of the good word of mouth: Applications have quadrupled.

It's a truism that current employees are the best source for new ones. But at GE Medical—where these days everything is being measured in the corporation's huge Six-Sigma quality drive—Patscot was startled to learn how much the best they are. Overall, just 1% of people whose résumés come into GE Medical are even called for an interview, while 10% of employee re-

ferrals result not just in an interview but in a hire. Nothing else—not headhunters, not internships—comes close.

In the past year, with just a few simple steps, Patscot doubled the number of referrals. First, he made it simple and rewarding: no complex forms, no bureaucracy, and a small goodie like a gift certificate at Sears simply for referring a qualified candidate. Second, he upped the ante: two grand if someone you refer is hired, three if she is a software engineer. That's a lot—but the more often GE pays it, the more money the company has saved, because it's in lieu of a \$15,000 to \$20,000 headhunter's fee.

Last, the company starts asking new employees for referrals almost before they know how to get an outside line. Explains Patscot: "If you leave Motorola and come to GE, for the first three months you're still one of them, and you remember everyone. Nine months later you're one of us." That, of course, is the goal. **E**

Contact TOM STEWART at our *Smart Managing* bulletin board on the Internet at <http://fortune.com> or by E-mail ([ThosStew@aol.com](mailto:ThosStew@aol.com)).

# COALITION FOR 21ST CENTURY JOBS

## Supports Elimination of the Computer Tax

The Coalition for 21st Century Jobs is a broad-based coalition of large and small businesses, taxpayer organizations and chambers of commerce. The coalition is dedicated to eliminating the property tax on business computers, the job engines of the next century.

- **Wisconsin's high level of taxation:** Wisconsin's high state and local taxes -- on individuals and businesses -- are a drain on our state's economy. To remain competitive Wisconsin must reduce taxes and spending. Currently, Wisconsin ranks third highest in the nation in taxes per \$1,000 of personal income.
- **Wisconsin must compete:** In order to maintain our competitive edge, promote economic development, and encourage "high-tech" industries in Wisconsin, lawmakers must support the elimination of the burdensome tax on business computers. Wisconsin is one of the only Midwestern states that taxes business computers.
- **Unfair business tax:** In Wisconsin, businesses are the only entities that pay personal property taxes on furnishings. Taxed items include: Desks, chairs, computers, fax machines, telephone systems, construction equipment, tools patterns and shop equipment. Individuals do not pay personal property taxes on furnishings; farmers do not pay personal property tax on equipment.
- **Businesses pay many taxes:** Wisconsin business already pays more than its fair share of taxes (corporate income, personal/real property, UC, payroll and environmental).
- **Burden to small businesses:** For small businesses, the personal property tax imposes a particularly heavy burden because this tax must be paid regardless of profitability. And computers are a necessity, not a luxury.

## The solution: End the unfair computer tax

- Eliminating the tax on business computers would encourage investment in high growth industries and create high-tech, high-wage jobs. Most importantly, it will allow us to compete with states that have already eliminated property taxes on business computers, such as Illinois, Iowa and Minnesota.
- Governor Thompson has proposed eliminating the personal property tax on computer hardware and software in Assembly Bill 768 and Senate Bill 436. Thompson's plan sets aside \$64 million from the state budget surplus to reimburse local governments and schools for lost property tax revenue. This is a real tax cut that will not shift taxes to other taxpayers!

The Coalition for 21st Century Jobs urges the Wisconsin Legislature to pass this important economic development tool in 1998.

# COALITION FOR 21ST CENTURY JOBS

## *Members*

Advance Products Corporation  
Ameritech-Wisconsin  
Andry Rasmussen & Sons  
Association of Wisconsin Tourist Attractions  
Baker Manufacturing Company  
Baylake Corporation  
Blue Cross & Blue Shield United of Wisconsin  
Bothe Associates Inc.  
C. G. Schmidt  
Cardinal FG  
Cayuga Industries  
Collins Outdoor Advertising  
Contact Rubber Corporation  
DATASYST Engineering & Testing Services Inc.  
Delta Flexible Products  
Elkhorn Area Chamber of Commerce  
Federation of WI Taxpayers Organization  
Filter Materials  
Firststar Corporation  
Flanagan Insurance Agency  
Fort James Corporation  
Forward Janesville  
Four Steps  
Frett/Barrington Ltd.  
General Electric Company  
General Thermodynamics Division  
Good Steel  
Greater Eau Claire Area Chamber of Commerce  
Greater Tomah Area Chamber of Commerce  
Hamlin Incorporated  
Hensen Manufacturing  
Hutchinson Technology  
Independent Business Association of Wisconsin  
Integrity Saw and Tool  
John Deere, Horicon Works  
Johnson Truck Bodies  
Jude Werra & Associates

Kenosha Area Chamber of Commerce  
Kickhaefer Manufacturing Co.  
Konz Wood Products  
Legois Manufacturing Company  
Lindsay, Stone & Briggs Advertising  
Litho Productions  
M.S.P., Inc.  
Management Recruiters of Milwaukee - North  
Marion Body Works  
Marshall & Ilsley Corporation  
Mega Marts  
Menasha Corporation  
Metropolitan Milwaukee Association of Commerce  
Midwest Directories  
Midwest Rubber Plate Co.  
Miller Brewing Company  
Monarch Plastics  
National Business Furniture  
National Federation of Independent Business  
New Berlin Chamber of Commerce  
Northlake Engineering  
Patrick Cudahy Incorporated  
Procter & Gamble Paper Prod. Co.  
Ray's Shoes  
RB Royal Industries  
Reinhart Companies  
RR Systems  
Ruekert & Mielke  
Schaefer Brush Mfg. Co.  
Schweda Machinery/E.D.M. Sales Inc.  
Softworks Development Corporation  
Stoughton Trailer Inc.  
Sun Equipment and Supply  
Thomas Register Advertising  
Thompson Consulting  
Tool Service Corporation  
Velvac  
Virchow Krause & Company, LLP  
Vollrath Associates  
Walker Forge  
Waukesha Area Chamber of Commerce  
Wikk Industries  
Wisconsin Bankers Association  
Wisconsin Economic Development Association  
Wisconsin Electric Power Co.  
Wisconsin Grocers Association  
Wisconsin Institute of CPA's  
Wisconsin Manufacturers & Commerce  
Wisconsin Mortgage Bankers Association  
Wisconsin Paperboard Corp.  
Wisconsin Power & Light Co.  
Wisconsin Ready Mixed Concrete Association  
Wisconsin Restaurant Association  
Wisconsin Valley Concrete Products Co.  
Wispark Corporation  
Wynn O. Jones & Associates



# WISCONSIN STATE JOURNAL

## OPINION

Thursday, March 5, 1998

### OUR OPINION

## Computer tax break would keep jobs here

Wisconsin became known as the “Star of the Snowbelt” in the 1970s after the Legislature carved out an exemption for manufacturing equipment and machinery. The M&E property tax break helped attract and retain industry by rewarding companies for investing in tools that created jobs.

Today, the Legislature has a chance to polish its economic star by carving out an exemption for the 21st century’s tool of choice — the computer.

The Joint Finance Committee is scheduled today to consider eliminating the personal property tax on computers, a tax that stands in the way of Wisconsin becoming more competitive. Already, Iowa, Minnesota and Illinois have eliminated such taxes. No-tax states such as South Dakota are trying to lure the computerized shop operations of major Wisconsin firms, such as M&I Data Systems.

Critics of the proposed cut say local governments will lose money if \$53 million is removed from the state’s \$4.9 billion property tax income. However, lawmakers can fill that void with revenue from anticipated state surpluses. Also, if some of these high-tech firms leave Wisconsin, local governments stand to lose a lot more than tax revenue from computers. They could also lose the workers and taxpayers who operate those computers.

The Legislature should punch the “delete” button and purge this non-competitive tax from memory.

# WISCONSIN STATE JOURNAL

## BUSINESS

Thursday, March 5, 1998

T H U R S D A Y

# Coalition pushes computer tax break

By Jeff Mayers

State government reporter

More than 90 businesses, associations and chambers of commerce have banded together to push for legislative passage of a \$64 million computer tax break in Gov. Tommy Thompson's "mini-budget."

The new coalition is calling itself the Coalition for 21st Century Jobs.

"This is a broad coalition of service sector companies, manufacturers, chambers, retailers, small businesses and associations that represent all types of businesses in Wisconsin," said James Haney, president of the state's leading business group and promoter of the tax break, Wisconsin Manufacturers & Commerce.

"We all have a common goal: repeal the computer tax to ensure that high-tech, high-wage jobs are kept in Wisconsin," Haney said.

The group's formation coincides with a key legislative hearing on the mini-budget before the powerful taxing and spending panel called the Joint Finance Committee. The panel is prepared to hear from some members of the coalition at today's hearing, scheduled for this afternoon at the rear of the temporary Senate chambers, 119 Martin Luther King Jr. Blvd.

Several other Midwest states don't tax computers.

A Thompson commission led by University of Wisconsin System President Katharine Lyall backed a similar policy.

"A convincing case has been made that the largest growth of quality jobs in the 21st century will come in information-

based business services ... and that Wisconsin could attract, retain and grow these businesses more effectively by removing the personal property tax on (computers)," the commission report said.

Thompson proposes to create a property tax exemption for business computers to encourage businesses to expand and relocate in Wisconsin.

But the proposal is being panned by some Republicans, many Democrats and a host of officials from cities, counties and other local governments. The critics contend Thompson's proposed reimbursement from the state's projected \$320 million surplus will be insufficient or possibly cut in future years, leading to huge property tax increases for homeowners.

One alternative being offered would create an income tax credit for businesses with computers. That would ensure state payment of the tax break.

But WMC and many other businesses contend the personal property tax is unfair. They contend businesses are the only entities that pay personal property taxes on "furnishings," which include computers.

Among the members of the coalition, according to WMC: Blue Cross & Blue Shield of Wisconsin, Firststar Corp., Fort James Corp., Lindsay, Stone & Briggs Advertising, Miller Brewing Co., Stoughton Trailer Inc., Virchow Krause & Co., the Wisconsin Bankers Association, and Wisconsin Power & Light Co.



**NFIB Wisconsin**

Testimony by  
Bill G. Smith, State Director  
National Federation of Independent Business  
Wisconsin Chapter

Before the  
Joint Committee On Finance

Thursday, March 5, 1998

Thank you, Mr. Chairman and members of the Committee. My name is Bill G. Smith and I am state director of the Wisconsin chapter of the National Federation of Independent Business.

I appreciate the opportunity to provide a statement on behalf of the Wisconsin small business owners who are members of the NFIB.

Since 1985, the Education Foundation and its predecessors have measured the growth of computer ownership among NFIB members. Starting from almost nothing in 1980, the percentage of NFIB members with at least one computer rose to 40 percent in 1985, 63 percent in 1990, 75 percent in 1994, and **81 percent in 1997.**

Our study indicates ownership increased by about eight percentage points annually between 1980 and 1985, about four percentage points annually between 1985 and 1990, and for the 1990-94 period, ownership increased about three percentage points and it has been rising about two percentage points a year since 1994.

*I mentioned these percentages because it is important the legislature understand that your approval of an exemption of computers and related equipment from personal property tax will have a direct and immediate benefit to our state's smaller businesses.*

In fact, when we examine the numbers, we find that:

- 67 percent of those firms with business computers have 1-4 employees;
- 87 percent of those firms with 5-9 workers have at least one business computer;
- 94 percent of those firms with 10-19 employees have a computer;
- 97 percent of firms with 20-49 employees have a computer, and
- 100 percent of the firms with over fifty employees have a business computer (55 firms were sampled in the 50+ class size).

March 5, 1998

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It is clear that exempting computers from the personal property tax will impact main street small businesses, and is strongly supported by the members of the NFIB/WISCONSIN.

In fact, 75 percent of those firms responding to a recent survey study support the total elimination of the personal property tax even if the lost revenue must be replaced by some other form of taxation.

The personal property tax, Mr. Chairman, is in many ways a small business tax. It is assessed regardless of profitability on the equipment, furnishings and fixtures of small retailers, restaurants, service and professional businesses, and other commercial enterprises.

**The personal property tax exemption for computers is an important tax policy revision. It is a critically important investment in the economic future of our state that has the unqualified support of Wisconsin's small business community.** I respectfully urge members of the committee to support the exemption as a first step toward eliminating the personal property tax altogether.

Thank you.



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Fax: (608) 757-3170

March 5, 1998

Senator Brian Burke, Co-Chair  
Joint Committee on Finance  
PO Box 7882  
Madison, WI 53708

**Re: AB 768/SB 436 - Personal Property Tax Exemption on Computers**

Dear Senator Burke:

On behalf of Forward Janesville, Inc., I would like to express our enthusiastic support for Assembly Bill 768 and Senate Bill 436 that would exempt computer hardware and software from the personal property tax. Forward Janesville is an economic development organization representing over 600 business in the Janesville area.

This proposal is critical to Wisconsin's future economic development. Ending this tax will help attract new businesses and create high-tech, high paying jobs for Wisconsin. Our surrounding states have already eliminated this tax, which puts Wisconsin at a competitive disadvantage.

For computer-intensive enterprises, the personal property tax on computer equipment and software constitutes a tax on the means of production. Manufacturing jobs in Wisconsin have increased dramatically in the years since the personal property tax was eliminated on manufacturing equipment. We believe that similar growth is likely in high technology enterprises if computer equipment is similarly treated.

In Janesville, we have calculated the impact on a single \$2,000 new computer to be approximately \$62.00 per year. For businesses that have invested most of their capital in new technology, the tax is significant and may represent a disincentive to locate or remain in Wisconsin.

We respectfully urge your support of AB 768 and SB 486.

Sincerely,



Andrew H. Hayes  
President



OFFICE OF THE VILLAGE PRESIDENT  
1971 Washington Street  
P.O. Box 125  
Grafton, WI 53024

March 5, 1998

Members of the Joint Finance Committee,

I appear before you this afternoon to share my concerns about the budget adjustment bill which has been introduced as companion bills AB 768 and SB 436.

As President of the Village of Grafton, I find that the provision to exempt computers and all related equipment from all property taxes will have a serious consequence to the residents of Grafton.

Our Village Assessor has determined that approximately \$23,000 were contributed by owners of computers on the Personal Property Assessment Roll. The total assessed value of the computers was \$989,300 (almost 1 million dollars). To get the entire picture, we would have to add in assessment of computers from manufacturing concerns, which are assessed by the Wisconsin Department of Revenue. It was brought to our attention that at full value just one of our firms had approximately 1.5 million in assessed computer equipment alone.

Certainly this proposal to exempt computers will have a profound effect upon all municipalities. If you and the legislature would really feel it is necessary to do this, let it be funded from a State source. In 1974, we at the local level absorbed a significant tax shift with the enactment of the M & E tax exemption. This same mistake should not happen again.

It is important to note that opposition to this provision in the budget amendment bill implies that we are anti-business or anti-development. Nothing could be further from the truth. All municipalities need a balanced tax base of residential, industrial, and commercial properties. While the proposal contains provisions to provide an aid payment to the communities, it is my belief that a much more effective method would be to grant a tax credit to the businesses. Please note that I would prefer additional dialogue between members of the business community and the State Legislature in an effort to achieve a workable solution to both parties.

For these reasons, I strongly urge that the Joint Finance Committee remove the computer equipment property tax exemption from AB 768 and SB 436. The proposal is a significant policy change and needs to be further reviewed in an arena that is not limited to the provisions of a budget adjustment proposal.

Thank you for your attentiveness to my concerns.

Sincerely,

  
Rodney L. Schroeder  
Village President

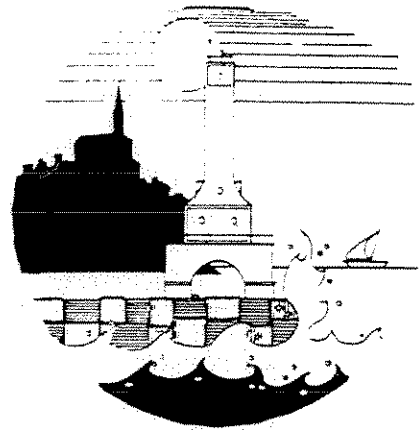


city of

# Port Washington

Office of Mayor  
Phone 414-284-5585  
Fax 414-284-7224  
March 3, 1998

100 W. Grand Avenue  
P.O. Box 307  
Port Washington, WI 53074



Senator Mary Panzer  
P.O. Box 7882  
Madison, WI 53707-7882

Dear Senator Panzer:

I understand that the Joint Finance Committee will take public testimony on March 5th on the proposal to exempt computer equipment from personal property taxation. Although I am unable to attend that meeting, I urge you to oppose this proposal.

The City of Port Washington, like other municipalities, is in a constant struggle to control local property taxes, meet state imposed expenditure restraints, and comply with various mandates at the State and Federal level. This year our state shared revenues will decline by approximately \$60,000, which alone accounts for approximately a 2% increase in our local tax levy. If we are to have any success at controlling local property tax rates, we need to protect and enhance our tax base, not diminish it. As such, any measure that forces us to spread our levy over a smaller tax base is a step in the wrong direction.

I understand that the proposal includes creation of a fund to reimburse municipalities for the revenue lost as a result of the exemption. Unfortunately, there is no guarantee that future state funding will continue to provide full reimbursement. This causes us to lose any certainty of future revenue, and further jeopardizes our long-term budget planning process.

By removing a significant class of personal property from property taxation, this exemption will continue the undesirable trend of shifting the responsibility for funding local government onto overburdened residential and small business taxpayers.

Thanks for your consideration in this matter.

Sincerely,

*Mark Gottlieb*

Mark Gottlieb  
Mayor



639 E. Green Bay Avenue • Saukville, WI 53080 • 414-284-9423 • METRO 375-1884 • FAX 414-284-9527

March 04, 1998

Senator Mary Panzer  
P.O. Box 7882  
Madison, WI 53707-7882

Dear Senator Panzer,

I am writing on behalf of the Village of Saukville, regarding Assembly Bill 768 and Senate Bill 436. These are budget companion bills from Governor Thompson which would exempt computer equipment from the property tax. We are opposed to these bills.

The Governor has proposed to create a State aid payment to municipalities to offset the loss of taxes. We appreciate the Governor's new proposal to make municipalities whole for their loss. However, we regret this tax shift is not being discussed through normal process, rather than being tacked onto the budget bill. We need more time to study the impact of this proposal.

The League of Wisconsin Municipalities is on record opposing the original 1997 legislation. Until careful consideration is given to the impact of this new proposal, please note that we wish to oppose it.

Sincerely,

Christopher B. Lear  
Village Administrator

CBL/jh



# Village of Fredonia

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P.O. Box 159

416 Fredonia Avenue  
Phone (414) 692-9125 FAX (414) 692-2883

Fredonia, Wisconsin 53021

March 4, 1998

To Whom It May Concern:

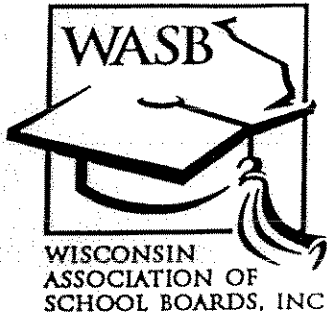
I am not in favor of the proposal to exempt computers from personal property tax. In working with local business leaders it appears that there are numerous concerns that need to be addressed. Many business owners agree a comprehensive approach dealing with all the issues would be more beneficial to their concerns than to simply shift the tax burden from computers to another source.

I would support an initiative to study this problem on a broader basis.

Sincerely,



Donald Dohrwardt  
Village President



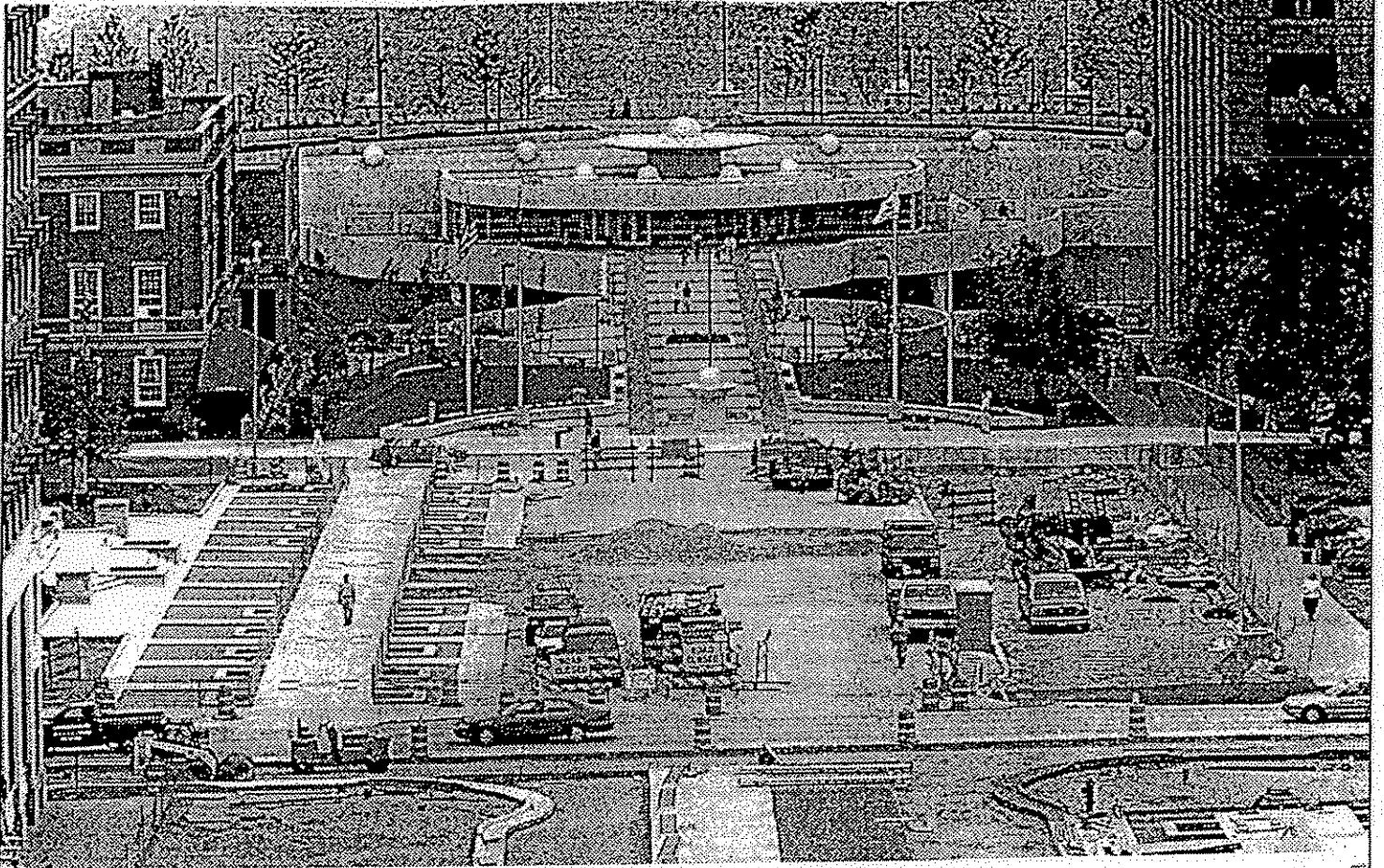
# LEGISLATIVE MEMO

122 W. Washington Ave. • Madison, WI 53703 • Phone: 608-257-2622 • Fax: 608-257-8386

## WHY IS WASB IN A TIFF ABOUT TIF?

- Nearly \$50 million annually in school property taxes are diverted to cities and villages to finance street, sewer, lighting, and other municipal infrastructure costs associated with TIF projects. There's no disclosure of the TIF tax to the public.
- Public schools do not benefit from TIF projects. Revenue caps continue to apply irrespective of TIF development. If a school district's "property wealth" grows because of TIF development, its school tax rate will not necessarily decrease. That's because the state aid formula equalizes the fiscal capacities of all districts.
- Cities and villages that capture the nearly \$50 million in school property taxes are not bound by revenue caps. They are not required to conduct a voter referendum before proceeding with a TIF project.
- If you favor lowering school property taxes, why continue to divert nearly \$50 million annually away from public schools to fund a program that primarily benefits cities, villages and developers?
- What if the state had assumed the nearly \$50 million cost of TIF funding paid by school property taxpayers? More than 92% of the school districts would have had a lower 1997 mill rate under that scenario.
- School property taxes fund nearly 45% of total TIF project costs. The school board can not halt this capture and diversion of school property taxes to cities and villages.
- False assumptions and bad tax policy underlie the tax incremental finance program. Schools and school property taxpayers do not benefit directly from TIF projects. The TIF tax is a hidden tax.

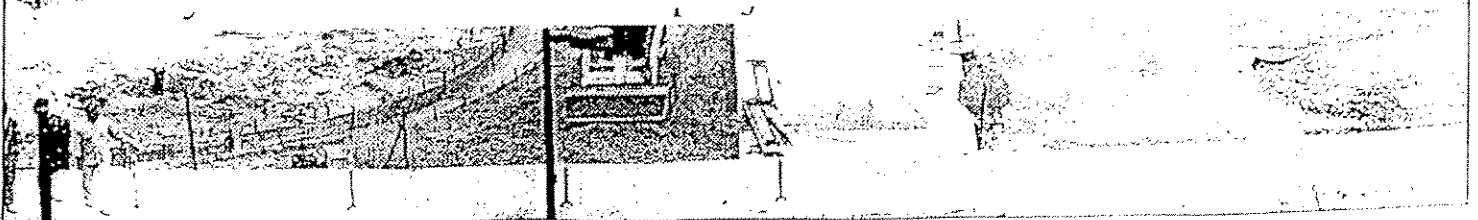
# In a tiff about TIF ?



Why should school district property taxpayers be the primary source of funding for city street, sewer, lighting and other TIF project costs?

More than \$2.7 million was captured from Madison School District property taxpayers in 1997 and exported to the City of Madison for TIF projects.

Do you favor lowering school property taxes? Then stop diverting nearly \$50 million annually in school property taxes to cities and villages.



# SELECTED SCHOOL DISTRICTS

Assume school property taxes not captured and exported to city or village to fund TIF projects. Calculate 1997-98 general school aids with TIF values in and values out.

| School District | 1997(98)<br>TIF levy | Aids<br>Differ |
|-----------------|----------------------|----------------|
| Beaver Dam      | \$ 492,269           | \$ - 232,675   |
| Campbellsport   | 0                    | + 66,071       |
| Crandon         | 0                    | + 50,944       |
| Crivitz         | 0                    | + 55,378       |
| Eau Claire      | 1,115,259            | - 256,938      |
| Florence        | 0                    | + 39,322       |
| Germantown      | 396,125              | + 105,051      |
| Green Bay       | 384,879              | + 708,770      |
| Hamilton        | 1,061,353            | - 119,221      |
| Holmen          | 0                    | + 75,346       |
| Janesville      | 321,990              | + 289,952      |
| Kenosha         | 3,631,723            | - 1,287,298    |
| Kohler          | 753,344              | - 243,400      |
| La Crosse       | 1,068,692            | - 484,442      |
| Madison         | 2,758,595            | - 573,682      |
| Manitowoc       | 153,330              | + 138,510      |
| Marinette       | 105,299              | + 8,407        |
| Middleton       | 1,015,790            | - 269,138      |
| Milwaukee       | 2,144,009            | + 841,224      |
| Oshkosh         | 723,472              | - 2,630        |
| Racine          | 895,717              | + 406,532      |
| Reedsville      | 0                    | + 29,822       |
| Tomah           | 97,089               | + 56,014       |

**1997-99 Budget Adjustment Bill  
Position of Milwaukee County  
to Joint Finance Committee**

**March 5, 1998**

At the outset let me say thank you for your past efforts in providing assistance to Milwaukee County. Specifically, your help in providing us with a solid transportation budget that took mass transit into account is appreciated.

Thank you for the opportunity to reflect on the Budget Adjustment Bill that is before you.

The State surplus provides an opportunity to address many of the unmet needs of the State and Milwaukee County. While the recently passed Biennial State Budget primarily focused on continuing to provide two-thirds funding of the cost of public schools and ever increasing State Correctional costs, it provided virtually no increased assistance to county government for services vital to our citizens. Specifically, important county administered programs, such as the State Court System, and all services funded through Community Aids received no funding increases. Furthermore, other State programs designed to assist counties in providing property tax relief, such as the Mandate Relief and Shared Revenue Program remain frozen.

This does not paint a pretty picture for Milwaukee County, as well as other counties in Wisconsin. County property tax pressure continues to grow with increased service demands from our citizens. At the same time, counties are under State imposed fiscal restraints.

I view the State surplus as an opportunity to provide badly needed fiscal resources to counties to help fund the programs that the State has required us to provide. As you formulate your plans for the State surplus, Milwaukee County requests that the State increase funding in the following areas:

**State Court System.** In 1993, legislation was enacted creating a Circuit Court Support Grant which provided State funds to counties in order to offset property taxes being used to pay for the State Court System. While the support grant is based on court filing fees, no additional assistance from the State has come forward to help counties with funding. In 1996, Milwaukee County spent over \$20 million in local property tax levy to subsidize the State Courts and we have budgeted even more in 1998. On the other hand, the State contributes approximately \$5 million via Circuit Court Grants toward the cost of running the State Court System in Milwaukee County. On a statewide basis, counties contribute over \$50 million to fund the courts. This disparity simply can not continue.

**Youth Aids.** The 1997-98 Youth Aids allocation, as you are aware, provides no additional assistance to help fund community juvenile delinquency programs. Also, escalating rates for the state juvenile correctional institutions has forced Milwaukee County to increase the property tax by nearly \$4 million in 1998 to cover these State charges. Furthermore, counties have increased their financial commitment for these programs by 301% over the past ten years while state support grew only 29%.

The Milwaukee County Human Services Department projects that in CY 1999, Youth Aids will become a reverse revenue sharing program; i.e., we will be sending more money to the Department of Corrections than the State allocates to us through the base Youth Aids formula. Currently, the Wisconsin Department of Corrections estimates that Milwaukee County will have only three percent of its Youth Aids allocation available for community programing in 1998.

This situation has convinced us that a major overhaul of the juvenile justice funding structure is warranted. I would like to thank members of the legislature who have requested that the Legislative Audit Committee undertake a top to bottom review of this program and make recommendations to improve it. While it is understood that such an undertaking would not result in action until the next legislative session, that should not preclude your committee from taking action to address this inequity.

A series of issues dealing with Child Welfare funding and dubious financial actions by the State need to be brought to your attention. First, the Budget Adjustment Bill restores approximately \$2.4 million in AODA grant monies (\$791,500 in 1997-98 and \$1,583,000 in 1998-99) that have been improperly withheld from Milwaukee County as part of the State's "intercept" of revenues to finance the County's share of the State-operated Child Welfare System. ("Intercept" refers to the method by which the State would receive the County's statutorily required share; i.e., through intercepting State and Federal revenues that would otherwise go to the County under customary formula allocations.) The State has essentially helped itself to the same money twice; once by including it in the estimate of the basic Community Aids allocation to be withheld, and then withholding it again through an intercept of AODA block grant money. A provision within the bill corrects this action by the State and I request your support for this matter.

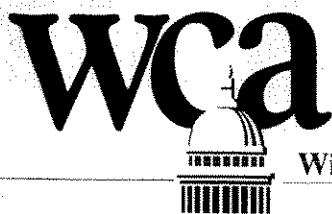
Second, and of greater concern to Milwaukee County is an item that is **not** contained in the bill. In our negotiations with the State over the amount of the "intercept," it also becomes apparent to the County that the State could not explain or justify the withholding of an additional \$3.5 million in Community Aids (over and above the AODA amount already mentioned). The State conceded the issue, essentially acknowledging that it also could not explain the amount and stating to Milwaukee County that the funds would be restored through the Budget Adjustment Bill.

However, there is no language in the bill rectifying this matter. State DHFS and Department of Administration officials have recently assured Milwaukee County that they will make a request before your committee to restore the improperly withheld \$3.5 million. I expect Secretary Lekan in his appearance before the Joint Finance Committee, to put forward such an amendment. This issue is a major concern to Milwaukee County and I urge your support to resolve this matter.

**Property Tax Exemptions for Computers.** As it relates to the property tax exemption for computers provision contained in the bill, I would like to state my opposition. I view this as highly negative to the residential county taxpayer, in that it creates a shift in tax burden on to the individual. Furthermore, as years go by local municipalities will be forced to pay for the increase for this exemption.

Wisconsin should be proud of its robust economy. We at the local level, believe that local governments have contributed to the economy's success through such efforts as job creation, economic development, transportation improvements and holding the line on property taxes. However, we must not lose sight of the fact that many vital programs for our residents administered by counties for the State, have virtually been forgotten. The budget surplus provides an opportunity to help address these important issues.

Thank you for your consideration.



Wisconsin Counties Association

## MEMORANDUM

TO: The Honorable Members of the Joint Committee on Finance

FROM: Craig Thompson, Legislative Director  
Sarah Diedrick <sup>OK</sup> Kasdorf, Legislative Associate

DATE: March 5, 1998

SUBJECT: Budget Adjustment Bill

In regard to the Budget Adjustment Bill submitted by the Governor, WCA would like to make the following comments.

Due to the tremendous economy in Wisconsin we are now looking at how best to allocate unanticipated revenues. In light of the lack of emphasis the last budget placed on mitigating the pressure on counties to fund state mandated programs with property tax dollars, we respectfully urge that the committee seriously consider the following proposals:

### STATE COURT SYSTEM

Beginning in 1993, the state recognized the need to phase-in full funding for the mandated services counties provide to operate the state court system. In 1993 the state created the Circuit Court Support Grant and in the following biennium increased the funding for the support grant as the next step in the phased-in pick up by the state of state court costs.

Unfortunately in the 1997-99 biennial budget process the need to fund schools and prisons consumed every available dollar and the phased-in pick up of the state court system stalled.

According to the Supreme Court's most recent figures, in 1996 counties spent \$85.7 million on allowable expenses for the state court system. The Circuit Court Support Grants received by counties were \$16.1 million. These figures illustrate the significant impact the state court system is still having on the county property tax levy.

100 River Place, Suite 101 ♦ Monona, Wisconsin 53716-4016  
608/224-5330 ♦ 800/922-1993 ♦ Fax: 608/224-5325

Mark M. Rogacki, Executive Director  
Darla M. Hium, Deputy Director

Mark D. O'Connell, Legislative Director  
Lynda L. Bradstreet, Administrative Director



WCA, therefore, is requesting that the state allocate \$15 million to the Circuit Court Support Grant to renew the state's commitment to moving toward full funding of the state court system. In the area of courts the costs are basically fixed. Therefore, every dollar the state provides to fund the state court system is a dollar that counties will take off the property tax rolls.

It is our understanding that a major emphasis of utilizing the unanticipated revenues is to provide tax relief to the citizens of Wisconsin. This initiative will accomplish that goal by providing \$15 million of direct property tax relief to our citizens.

### **YOUTH AIDS**

Juvenile delinquency related services continue to plague county budgets. The Youth Aids appropriation was established in 1978 with the laudable goal of directing more resources toward prevention and early intervention services for our at risk youth. The reality of what is happening in 1998, however, is just the opposite. According to the Department of Corrections, in 1996 counties spent over \$100 million on out of home placements while the total Youth Aids allocation was \$78.4 million.

Looking at these numbers counties obviously are not able to use any Youth Aids dollars on prevention when the out of home placement costs alone are 128% of the total Youth Aids allocation.

WCA, therefore, respectfully requests that the state allocate \$10 million to the Community Intervention Program and \$20 million to the Youth Aids allocation.

### **PROPERTY TAX EXEMPTION ON COMPUTERS AND RELATED EQUIPMENT**

The Budget Adjustment Bill provides a personal property tax exemption for computers and related equipment in an attempt to increase business opportunities in the state of Wisconsin. While this is a laudable goal, we have concerns regarding the impact this type of exemption will have on residential property taxpayers as well as the impact this proposal will have on county property tax collections.

The Budget Adjustment Bill creates a computer escrow fund of \$64 million to assist local governments in absorbing the property tax losses associated with this exemption. However, we fear not only that \$64 million will not cover the losses in the first year of the exemption, but that there is no mechanism in the legislation to account for increased

losses in subsequent years of the exemption. It is estimated that property tax collections on computers increase at a rate of over 12% annually.

WCA, therefore, respectfully requests that the personal property tax exemption for computers and related equipment be assessed as a corporate income tax credit, rather than a property tax exemption. This remedy eases the concerns of county government while still maintaining the goal of property tax relief for the business community. In the alternative, we respectfully request that local reimbursement be indexed on an annual basis to compensate for property taxes lost on increased computer equipment valuations.

### **COP SLOTS AND LONG TERM CARE**

WCA would like to express its strong support for the funding of an additional 2,119 COP slots included in the Budget Adjustment Bill proposed by the Governor. This allocation of resources will allow counties to significantly reduce waiting lists for services to keep individuals in the community.

In addition to the funding for COP, the Governor also provides funding for pilot projects to be run by counties or tribes in the area of managing long-term care. Along with this is an outline of principles to be included in the statewide redesign of the long-term care system by the year 2000. We fully support the initiative the Governor has taken in moving this process forward as well as the principles he has listed (i.e. single consumer entry point, the right of a county or tribe to have first right of selection, simplified and uniform eligibility criteria and meaningful involvement of consumers and their families).

While we are working with the Department of Health and Family Services (DHFS) to iron out a host of difficult issues to be included in the redesign, we fully believe that the goal set forth by the Governor is attainable and can be reached through a consensus of the major stakeholders in the system.

We respectfully urge you, therefore, to support the increased funding for COP as well as the funding for the long term care pilot projects and the goals set forth by the Governor for Family Care.

### **PAYMENT OF GUARDIAN AD LITEM FEES**

The Budget Adjustment Bill allows courts to order the parents of minors involved in court proceedings under Chapter 48, Chapter 880 and Chapter 938 and in protective placement proceedings involving allegedly developmentally disabled minors to pay all or part of the compensation of the guardians ad litem and any expert witnesses used by the guardians ad litem.

WCA Memo  
March 5, 1998  
Page 4

According to figures obtained from the Director of State Courts office, counties spent \$7.8 million in 1996 on guardians ad litem. In addition to the dollars received from the guardian ad litem reimbursement program, counties were able to recoup \$1.4 million. Expanding the ability of counties to seek reimbursement for guardian ad litem services provides for greater accountability for services offered by the court system as well as provides property tax relief.

WCA respectfully requests your support for this provision contained in the Budget Adjustment Bill.

### **PRISONER LITIGATION**

The Budget Adjustment Bill makes numerous changes to the statutes relative to prisoner litigation. WCA respectfully requests your support for the changes outlined in the Budget Adjustment Bill. Prisoner lawsuits, oftentimes frivolous in nature, drain not only county monetary resources but valuable staff time as well.

If you have any questions regarding any of these initiatives, please do not hesitate to contact the WCA office.

Thank you for considering our comments.

\\WCA\_FSVOL\USERS\PUBLIC\THOMPSON\BUDGET ADJUSTMENT BILL TESTIMONY.doc

## PUBLIC TESTIMONY ON STATE BUDGET TO BE TAKEN BY JOINT FINANCE COMMITTEE

The Joint Finance Committee will hold a series of public hearings on the proposed 1999-2001 State Budget Bill [SB 45/AB 133] according to the following schedule. All hearings will be held from 10:30 a.m. to 5:00 p.m.

**GREEN BAY.** Friday, March 26  
Brown County Public Library Auditorium  
515 Pine Street

**OSCEOLA.** Wednesday, April 14  
Osceola High School Gymnasium  
1029 Oakridge Drive

**RACINE.** Thursday, April 8  
J. I. Case High School Auditorium  
7345 Washington Avenue

**MADISON.** Thursday, April 15  
State Capitol - Room 411 South

**STEVENS POINT.** Tuesday, April 13  
UW-Stevens Point University Center -  
Alumni Room  
1015 Reserve Street

*Kim Glaserwood?  
Ans Garrett  
Madeline Young*

## "LISTENING SESSION" ON STATE BUDGET SCHEDULED FOR MILWAUKEE

Senator Gwen Moore (D-Milwaukee) has arranged an opportunity for those in the Milwaukee area to comment on the Governor's proposed 1999-2001 State Budget. Sen. Moore will chair the session and some members of the Joint Finance Committee are expected to attend. The "listening session" will be held on **Wednesday, March 31, from 10:00 a.m. to 2:00 p.m.** at the Milwaukee Public Schools Administration Building Auditorium, 5225 W. Vliet Street.

## HEARINGS SCHEDULED IN THE WEEK AHEAD

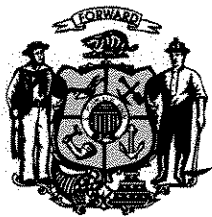
### MONDAY, MARCH 22

- ◆ **SENATE HEALTH, UTILITIES, VETERANS AND MILITARY AFFAIRS** (Brown County Public Library, 515 Pine Street, Rooms 1 & 2, Green Bay) 11:00 a.m. to 3:00 p.m.

The Committee will take testimony on provisions in Senate Bill 45/Assembly Bill 133, the Governor's proposed 1991-2001 State Budget, that relate to health, utilities, veterans and military affairs. **(FOR INFORMATION)**

- ◆ **JOINT SURVEY COMMITTEE ON RETIREMENT SYSTEMS** (Room 417 N) 1:00 p.m.

The Joint Survey Committee on Retirement Systems (JSCRS) will begin with an informational hearing featuring state agency personnel. Invited representatives, including those from the Department of Employee Trust Funds and the State of Wisconsin Investment Board, will address the committee about the Wisconsin Retirement System (WRS) and their responsibilities relating to the system. The committee will then hear public testimony regarding the proposed University of Wisconsin Optional Retirement System (UWORS). Specifically, recent reports evaluating the UWORS will be addressed: a) *Supplemental Actuarial Valuations of Enhancements to Hybrid Plan Features of the WRS and a Separate Optional Retirement System for University of Wisconsin Employees* prepared by Gabriel, Roeder, Smith & Company on December 21, 1998; b) *A Supplemental Actuarial Study of Proposals to Provide an Optional Retirement Plan for University of Wisconsin Faculty and Academic Staff* prepared by Scott Dennison, the Retirement Research Committee's Research Director, on February 7, 1999. **(FOR INFORMATION)**



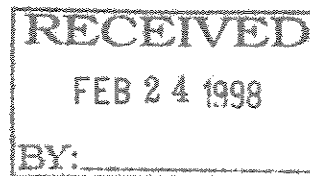
STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864



February 19, 1998



The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
119 Martin Luther King Blvd., LL1  
Madison, WI 5302

The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
315 North, State Capitol  
Madison, WI 53702

Dear Senator Burke and Representative Gard:

I would like to clarify three items in the Governor's Budget Adjustment Bill before the Joint Committee on Finance begins work on this legislation.

1. Tax Amnesty Revenues/Integrated Tax System – The bill creates a new PRO appropriation allocating 5% of the monies received from the Tax Amnesty program to help fund a portion of the Department of Revenue's integrated tax system modifications. A 5% allocation would result in a \$2 million reduction of the tax amnesty revenues otherwise assumed to be available to the general fund. We now prefer to delete the language creating the PRO appropriation and the 5% allocation, and instead create a new GPR appropriation for the integrated tax system. We recommend appropriating \$2 million GPR in FY99 in the new appropriation. The funding for this would come from recognizing \$2.7 million of additional revenue anticipated to be received from the post tax amnesty enforcement tools included in the Budget Adjustment Bill. This additional \$2.7 million in GPR tax revenue should have been built into the budget adjustment bill on top of the assumed \$40 million in revenues from tax amnesty itself. An amendment which makes these changes is attached. (Increases GPR revenue by \$4,700,000 in FY99, increases GPR expenditures by \$2,000,000 in FY99, and decreases PR revenue by \$2,000,000 in FY99 compared to the LFB Summary of the Budget Adjustment Bill.)
2. Wisconsin Development Fund – The bill appropriates an additional \$3 million GPR to the Wisconsin Development Fund for funds to respond to areas experiencing economic distress and for the Eau Claire Technology Center. The additional appropriation was to be funded from an assumed lapse of \$2.8 million in WDF funds that had been encumbered in previous fiscal years but were unlikely to be spent. Because the budget adjustment bill converts the WDF appropriation from a biennial to a continuing appropriation for the 1997-99 biennium, a change we still recommend, a \$2.8 million lapse that was assumed by the LFB in January and assumed in our bill, will not occur without an amendment. An amendment which directs a lapse of \$2.8 million from the WDF appropriation to the general

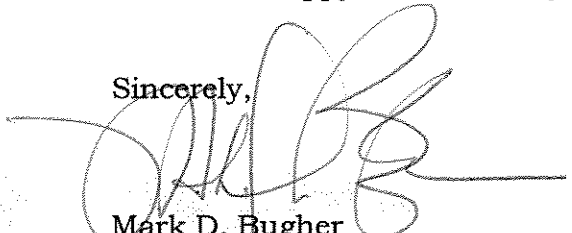
The Honorable Brian Burke, Co-Chair  
The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
February 18, 1998  
Page 2

fund at the end of June, 1999 is attached. (Increases GPR lapses by \$2.8 million compared to the LFB Summary of the Budget Adjustment Bill.)

3. Family Practice Residency Program - The bill effectively transfers \$181,900 GPR from the University of Wisconsin's Department of Family Medicine and Practice to the Medical College of Wisconsin to support two family practice physicians for the family medicine residency program. While the transfer itself has no net fiscal impact, the effect is to eliminate a lapse of \$181,900 from the UW that the LFB in January assumed would lapse. We also built this lapse into our Budget Adjustment Bill fund condition assumptions. However, no lapse will occur in this appropriation under the provisions of our bill. (There is no fiscal impact to the LFB Summary of the Budget Adjustment Bill because the document reflects that no lapse from the UW's s.20.285 (1)(fc) appropriation will occur.)

We will be happy to answer any questions on these items. Thank you.

Sincerely,



Mark D. Bugher  
Secretary

Cc: Members, Joint Committee on Finance  
Bob Lang, Legislative Fiscal Bureau  
Rick Chandler, State Budget Office